

Ballot Proposition I-24-2020
Stop Surprise Billing and Protect Patients Act
Fiscal Impact Summary

A.R.S. § 19-123E requires the Joint Legislative Budget Committee Staff to prepare a summary of 300 words or less on the fiscal impact of voter-initiated ballot measures. Proposition ____ would expand the definition of surprise out-of-network bills, prohibit insurers from imposing any preexisting condition exclusions, increase the base wage for direct care workers at private hospitals by 5% each year for 4 years, and require private hospitals to meet national standards associated with hospital-acquired infections.

Wage increases for private hospital workers would likely increase private hospital labor costs. Since public hospitals are exempt from the wage increase requirement, there is no direct impact on state expenditures. State agencies, however, have third-party contracts to provide health care coverage, including private hospital services, to individuals enrolled in Medicaid or state employee health insurance. Private hospital labor cost increases could therefore indirectly result in cost increases for the state's third-party health coverage contracts. Any such increase would, however, be at the discretion of state government. The base wage rate increases could potentially increase the General Fund cost of the third-party health contracts by \$10 million in the first year and \$45 million in the fourth year.

Due to uncertainties in the calculation of the impacts, these specific estimates are speculative and subject to change.

Wage increases for hospital workers could increase state income and sales tax collections by an undetermined amount.

The proposition would also create a new fund to monitor hospital-acquired infections. The fund is projected to receive approximately \$180,000 in revenue in the first year.